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THE Wheat SITUATION

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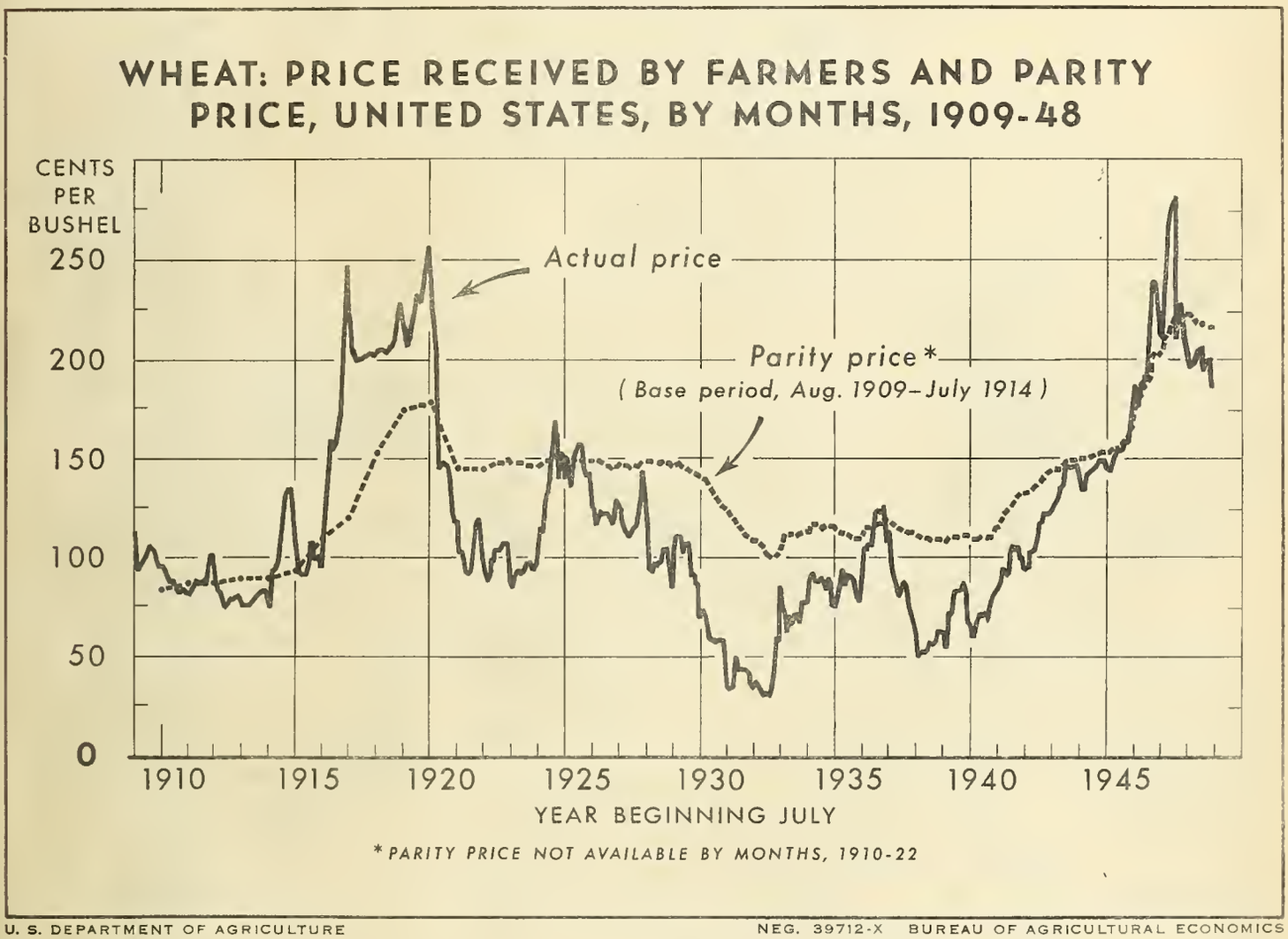
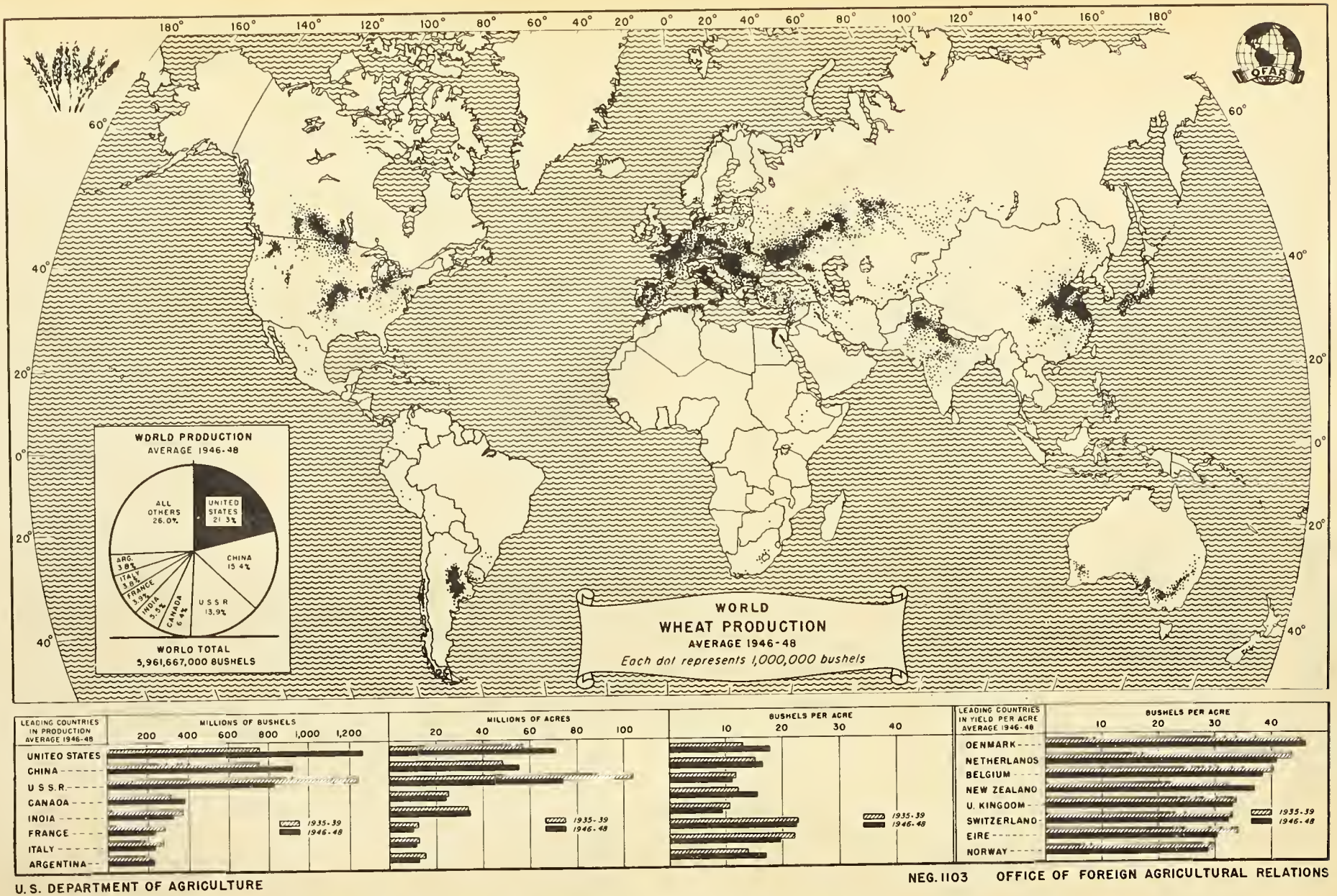
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

WS-112 BAE JULY 1949



Wheat prices have beem below parity since May 1948, reflecting the near-record harvests in the United States in 1948 and 1949 and favorable crops in importing countries in 1948. Wheat prices had been above parity from early May 1946 to May 1948, except for August 1946 and February 1948. Since 1920, they were also above parity in 1924-25, 1925-26, and 1936-37. In 1924, foreign demand for United States wheat increased as a result of a very small crop in Canada. In 1925, the crop in the United States was small, and in 1936-37 United States supplies were greatly reduced following 4 years of short crops. In World War I, the world supply was small compared with demand, and prices in the United States rose considerably above parity. Since 1941, both the supply and demand have been very large.



U.S. DEPARTMENT OF AGRICULTURE

NEG. 1103 OFFICE OF FOREIGN AGRICULTURAL RELATIONS

The world's wheat-producing areas lie between latitudes 30° and 55° N. and 20° and 40° S. In these areas, climatic and soil conditions are especially suitable for large-scale wheat production.

In 1946-48 the United States was the world's largest wheat producer, with China second, the U.S.S.R. third, and Canada fourth. In 1935-39, the U.S.S.R. was first, the United States second, China third, and India fourth.

THE WHEAT SITUATION

Approved by the Outlook and Situation Board, July 26, 1949

SUMMARY

Crop deterioration in June, which reduced wheat prospects by about 150 million bushels, lessened the distribution problems which wheat producers had been facing. While the reduction in prospects has been great enough to eliminate the necessity for marketing quotas, probable supplies are still large enough to require acreage allotments for the 1950 crop. The national total of the 1950 allotments was announced on July 14 at 68.9 million acres, or 17 percent less than the 83.2 million acres seeded for the 1949 crop.

U. S. wheat supplies in 1949-50 are now estimated at 1,482 million bushels--still large. With an increase in the carry-over during 1948-1949 about offsetting the smaller crop, total supplies are about the same as the 1,484 million bushels in 1948. Only in 1942 and 1943 were supplies significantly greater than those of this year. Domestic disappearance may total about 700 million, so that about 780 million would be available for export in 1949-50 and carry-over July 1, 1950. If exports total 450 million, the carry-over July 1, 1950 would be about 330 million bushels or slightly larger than that on July 1, 1949.

Carry-over stocks of old wheat in all positions on July 1, 1949 were about 293 million bushels. These are about 50 percent larger than on July 1, 1948 and about 3 times as large as the very small carry-over stocks in 1946 and 1947. They are, however, less than half of the peak carry-overs of 631 million bushels in 1942 and 619 million in 1943.

In 1948-49, domestic disappearance totaled 691 million bushels and exports 501 million. These items together with the carry-over July 1, 1949 account for total 1948-49 supplies of 1,485 million bushels. Wheat exports set a new high record for the fourth consecutive year.

Wheat prices are expected to advance gradually after the summer peak in market movement is past, and may average near the loan level for the marketing year as a whole. The peak movement for the hard winter area passed without becoming as heavy as expected. Losses from bad weather and disease left many producers of hard winter wheat with ample storage space to care for the current crop. The price of No. 2 Hard Winter at Kansas City dropped to $1.85 on July 2, or 35 cents under the loan rate. Since then, prices have strengthened and on July 25 were up to $1.99. This was 21 cents under the loan. The low point last year was about 18 cents under the loan.

Storage in the soft winter wheat areas has not been as readily available and the movement to market has been heavier and prices somewhat weaker than in the hard winter area. The price of spring wheat is still above the loan. The seasonal decline in spring wheat prices always occurs later in the year than the adjustment in winter wheat prices because of the later harvest dates.

Indications continue to point to a 1949 bread grain output in Europe excluding the Soviet Union about 5 percent below the 1948 level and more than 10 percent below the 1935-39 average. Some increase in grain output is expected in the Soviet Union as compared with last year, when wheat production was 17 percent below prewar. Reports indicate, however, that continued cool, rainy weather has delayed the ripening and harvesting of grain in the European parts of the country.

A 1949 total wheat acreage for Canada was officially indicated on July 21 at 27.5 million acres, an increase of 14 percent from the 24.1 million acres seeded a year ago. The condition for all Canada for wheat on June 30 was 72 percent of the long-time average yield compared with 95 percent on the same date last year and 125 percent in 1947. The low condition figure this year is accounted for largely by adverse moisture conditions.

The International Wheat Agreement is now in effect, having been ratified by the required number of nations. An organization meeting of the Council was held in Washington on July 5.

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- An abnormal world demand for bread grains made it possible to move the excess over domestic needs from four record wheat crops produced in 1944-47, and to minimize the increase in the size of the carry-over on July 1, 1948.

In 1932-41, the supply of wheat in continental United States averaged 982 million bushels consisting of carry-in of old wheat, 235; production, 738, and imports for domestic use, 9. Total disappearance averaged 721, consisting of food, 475; feed, 122; seed, 81; and exports and shipments 43. Carry-over stocks at the end of this period were much larger than at the beginning.

Net exports from the United States have exceeded 300 million bushels only in 1914-15, 1920-21, and each of the past 4 years beginning in 1945-46. Very small United States wheat crops in 1933-36 together with drives toward greater self-sufficiency in many importing countries greatly reduced exports in the 30's and the war curtailed shipping in the early 40's. In the 35 years since 1909, leaving out the years of net imports, net exports averaged 169 million bushels.

Wheat prices to growers advanced from an average of 67 cents per bushel in 1940-41 to a record of $2.81 in mid-January 1948, and a record season average of $2.29 for the 1947 crop. From 1938 to late 1944 the loan program, which reflected the general rise in prices farmers pay, was the most important factor in domestic wheat prices. From 1942 through 1945 wheat feeding was exceptionally heavy and very large quantities of wheat were used for war industrial purposes. Beginning in early 1945 exports, including shipments under various foreign aid programs, became the most important price factor.

In 1947-48, United States wheat prices reflected the reflected the unavailability of feed grains for export, the additional world demand resulting from short crops in importing countries, and the continued rise in the general price level. With the harvest of the near-record crop in 1948 and favorable crops in importing countries, the loan program again became an important price factor.

Wheat Supplies Fourth Largest of Record; Little Change Expected in Carry-over July 1, 1950

U. S. wheat supplies in 1949-50 are now estimated at 1,482 million bushels. The current crop is estimated at 1,189 million bushels, about 100 million bushels less than in 1948. This decrease in the size of the crop is about offset by a larger carry-over, so that total supplies are about the same as the 1,484 million bushels in 1948.

Domestic disappearance may total about 700 million bushels, consisting of 485 for civilian and military food, 135 for feed, and 80 for seed. In addition, shipments to Territories will be about 4 million. Use for food will be about the same as in 1948-49. Feed use is expected to be larger than last year because of the quantity of low quality grain resulting from the wet harvest in the Southwest. The quantity for seed is reduced in line with the acreage allotments for 1949-50. The use for distilled spirits, alcohol and malt beverages continues unimportant.

If total supplies turn out to be about 1,482 million bushels, and domestic disappearance totals 700 million, about 780 million will be available for export in 1949-50 and carry-over July 1, 1950. A preliminary analysis of supplies and requirements indicates that exports from the United States may total about 450 million bushels. On this basis the carry-over July 1, 1950 would be about 330 million bushels, which would be only slightly higher than on July 1, 1949. The size of exports will depend in part upon the way crops finally turn out in both the exporting countries and importing countries. United States exports to occupied areas and to countries cooperating under foreign aid programs, also will continue to be very important.

Production Reduced but Still Third Largest

Production of all wheat is estimated at 1,189 million bushels, 8 percent less than the 1,288 million bushels produced last year but about 20 percent more than the average of 992 million bushels. This is 13 percent less than the record 1947 crop but is larger than for any year prior to 1947, and the third largest of record. Extensive losses ocurred during June in most of the important wheat States as the result of excessive wet weather at harvest time in the southern Plains and extreme dryness in the northern Plains and the Pacific Northwest. The indicated production was 148 million bushels below June 1 prospects.

Production of winter wheat was indicated at 932 million bushels, that of durum 49 million and of other spring 208 million. Seeded acreage is estimated as follows: Winter 61.5 million, durum 3.7 million, and other spring 18.0 million. Yield per acre (1938-47 average in parenthesis) is as follows: Winter 15.2 (15.2), durum 13.4 (14.1), other spring 11.5 (14.8), and all wheat 14.3 (15.1),

July 1 Stocks of Old Wheat 293 Million Bushels, 50 Percent above 196 Million Year Ago

Carry-over stocks of old wheat in all positions on July 1, 1949, were about 293 million bushels. These are about 50 percent larger than a year earlier and about 3 times as large as the very small carry-over stocks in 1946 and 1947 (table 1). They are, however, less than half of the peak carry-overs of 631 million bushels in 1942 and 619 million in 1943. In the 1930-34 period, carry-over stocks ranged from 273 million to 378 million bushels.

Wheat Disappearance in 1948-49 Fourth Largest; Exports Set New High Record

Wheat disappearance in 1948-49, at 1,192 million bushels has been exceeded only in three years. In 1943-44, 499 million were used for feed, 108 million by industry and only 42 million were exported. In 1945-46, 304 million were used for feed, 21 million by industry and 395 million were exported. In 1947-48, 186 million were used for feed, 0.7 million for industry and 485 million exported. Food and seed use in these years did not vary greatly.

The 1948-49 disappearance is estimated in million bushels as follows: Food, civilian 479, seed 91, feed 121, military procurement 174 for export and 6 for food for the services, 226 exports of wheat, 91 million the wheat equivalent of USDA flour procurement for non-military exports, and 4 to territories of the United States. The total of these items together with the carry-over of 293 million bushels account for the total supplies of 1,485 million bushels consisting of the carry-over July 1, 1948 of 196 million bushels, the crop of 1,288 million and imports of 1. Wheat exports including those to military zones totaled 501 million bushels 1/, which is a new record high for the fourth consecutive year.

Wheat Prices Expected to Gradually Strengthen And Average about at The Loan Level

Wheat prices are expected to advance gradually after the peak of the market movement in the various producing areas is past, and may average near the loan level for the marketing year as a whole. The peak of the movement for hard winter passed and did not overburden facilities. Because of poorer yields than were expected, many producers of hard winter wheat have found themselves with ample storage space which will enable them to hold their wheat. The price of No. 2 Hard Winter at Kansas City dropped to $1.85 on July 2, 35 cents under the loan rate recently announced. This compared with a low point about 18 cents under the loan last year. Prices have since strengthened and on July 25 were $1.99 up to 14 cents.

Storage in the soft winter wheat belt has not been as readily available and the movement to market has been heavier and prices weaker. Moreover, the poor keeping quality of the high moisture content has intensified this movement.

1/ Total actual exports exceed the total of military exports of 174 million, 226 million wheat exports and 91 million equivalent of USDA procurement of flour for export by 10 million, because the inventory position of the latter item was decreased by that quantity. (Continued on page 7.)

The price of spring wheat at Minneapolis is still above the loan. The price of No. 1 Dark Northern Spring Wheat at Minneapolis on July 25 was $2.27 or 5 cents above the loan rate of $2.22. The seasonal decline in spring wheat always occurs later than in the case of winter wheat because of the later harvest.

Considering the wheat crop as a whole, and recognizing that distress loans at 75 percent of the loan rate are available on wheat in temporary storage or on the ground, it is to be expected that large quantities will be placed under loan or under purchase agreement. This quantity may be about as large as last year even with a crop 100 million bushels smaller.

New Crop Loan at Farm Level 5 Cents Below Year Ago

The national average of wheat price support on farms was announced at $1.95 a bushel, 5 cents lower than last year. This average reflects 90 percent of parity. 2/ Rates at selected terminal markets are as follows: No. 2 Hard Winter at Kansas City, $2.20 and at Chicago $2.25; No. 1 Dark Northern Spring at Minneapolis; $2.22; No. 2 Red at St. Louis, $2.25; and No. 1 Soft White at Portland, $2.16. 3/ These rates allow for increases in freight rates during the past year and increases in handling charges permitted under the currently applicable Uniform Warehouse Agreement. Eligible wheat shall be wheat produced in the continental United States in 1949, grading U. S. No. 3 or better, or grading U. S. No. 4 or 5 solely on the factor of test weight.

Purchase agreements are again available in addition to farm-storage and warehouse-storage loans. Farmers may use either or both the loans and purchase agreements. In general the programs follow the pattern of previous years, but this year they will be available to farmers from time of harvest through January 31, 1950. This makes the new program available for an additional month. Loans will mature April 30, 1950, or earlier on demand.

Under the purchase agreements the producer will state the maximum quantity of eligible wheat upon which he desires an option to deliver to CCC. Within the 30-day period ending April 30, 1950, or such earlier date as may be determined, he must declare his intention to sell to CCC. Purchase prices by CCC will be the same as the loan delivery rates.

2/ Parity is determined by multiplying the base price of 88.4 cents per bushel (average of 60 months from August 1909 to July 1914) by the index of prices paid, interest and taxes (1910-14=100) which in mid-June 1949 was 245 percent. The resulting parity is $2.17.

3/ Rates were announced for No. 1, but these have been adjusted to agree with the grades shown for the same markets for 1938-48 in the May-June 1949 Wheat Situation, page 23.

Footnote concluded from page 6.- CORRECTION in The Wheat Situation, May-June 1949; table 3, page 18, for 1946-47, feed should be 182,045 instead of 183,691; total domestic 745,884 instead of 747,530; and military procurement 92,394 instead of 90,728. Also, table 4, page 19, for 1947, January-June, feed should be 76,923 instead of 78,589, total domestic 301,808 instead of 303,564, and military procurement 54,510 stead of 52,844. Also table 6, page 21, 1948, July-December, commercial wheat exports should be 15,471 instead of 30,277; total wheat exports 106,958 instead of 121,764; and total exports 166,142 instead of 180,948.

National Acreage Allotment Set At 68.9 Million Acres; Not Marketing Quotas

A national acreage allotment of 68.9 million acres for the 1950 crop was announced on July 14. With total seeded acres for the 1949 crop estimated at 83.2 million acres, this represents a reduction of about 13 million acres or about 17 percent. The announced allotment would be larger than in 18 of the 24 years between 1920 and 1945, and with average yields would provide sufficient wheat for anticipated domestic and foreign needs and for carry-over stocks.

No wheat marketing quotas will be proclaimed for the 1950-51 marketing year. 4/ With the very large June decline in the 1949 crop prospects, the total supply as projected for 1950-51 is less than the level at which the proclamation of wheat marketing quotas is required.

As defined in the Act, the national wheat acreage allotment 5/ is that acreage which, at average yields adjusted for trend, will produce an amount of wheat, plus the carry-over, equal to a normal year's domestic consumption and exports, plus 30 percent. A normal year's domestic consumption and exports, determined to be 1,100 million bushels, plus 30 percent is equal to 1,430 million bushels.

The carry-over July 1, 1950 was determined at 320 million bushels. 6/ To make available a supply for the 1950-51 marketing year equal to 1,430 million bushels (the normal year's domestic consumption and exports plus 30 percent) would require a 1950 wheat crop of about 1,110 million bushels. At 16.1 (average yields adjusted for trend) a crop of this size would require 68.9 million acres - the announced national acreage allotment.

State acreage allotments for the 1950 crop of wheat, which in total make up the national allotment, were announced on July 21. The break-down by States is based primarily upon the seeded wheat acreage in each State during the past ten years, adjusted for recent production trends and an allowance for crops for which wartime increases were requested. The State allotments will in turn be broken down by each State into county allotments, which are then divided into individual farm allotments. Each farm allotment represents that farm's share of the total national allotment.

4/ Had marketing quotas been proclaimed this year it would have been the fourth time in the history of the legislation governing their use. Quotas were proclaimed in 1941, 1942, and 1943. The required referendum resulted in a favorable vote in 1941 and 1942. In 1943 the quotas procedure was suspended because of the war emergency before a referendum was held.

5/ Determination of an allotment for 1950 resumes the procedure initiated with Agricultural Adjustment Act of 1938 and maintained until the 1943 crop, when it was suspended because of the war emergency.

6/ Using figures available at the time, the carry-over July 1, 1950 of 320 million bushels was determined as follows: Total supply of 1,490 million (July 1, 1949 carry-over of about 300 plus crops of 1,189) minus 1,170 million bushels (food 490, including civilian, military, and U. S. Territories; feed 150, seed 80, and exports 450).

Acreage allotments are one method by which producers can bring supplies more nearly in line with demand and provide a limit to Government expenditures for supporting the price of wheat. With an acreage-allotment program in effect for the 1950 wheat crop, only those growers who cooperate with their allotments will be entitled to price support.

In announcing the allotment, the Secretary of Agriculture said in part: "If wheat growers in general stay within their acreage allotments, thus adjusting production to expected demand, it may be possible to avoid marketing quotas in future years. Quotas, with their penalties for excess marketing, provide controls which will not be needed if acreage allotments and other measures succeed in adjusting production."

U. S. Import Quotas From Canada Filled

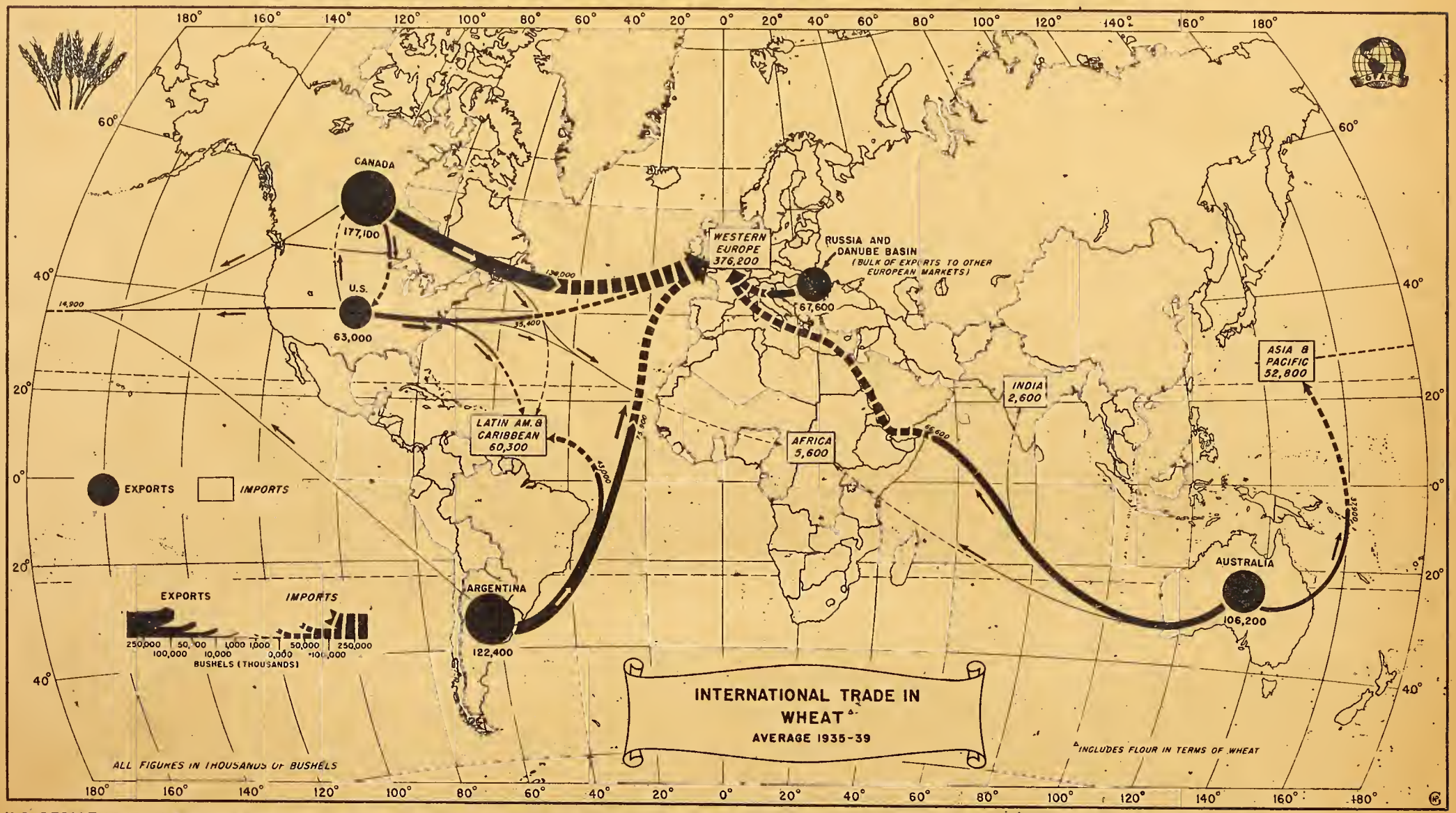
The current year's flour quota from Canada, amounting to 3.8 million pounds, was filled by June 6 for the quota year ending May 28, 1950. The wheat quota was reported 96 percent filled June 22. The quotas, first established in 1941, limit total imports from all sources to 800 thousand bushels of wheat and 4.0 million pounds of flour during any quota year. The flour quota includes semolina, crushed or cracked wheat, and similar products as well as flour. The wheat quota includes only wheat for food; the classification "unfit for human consumption" does not come under import quota.

Total imports for U. S. use for the 11 months ending May 31 amounted to 660 thousand bushels, consisting of 554 thousand bushels of full duty wheat, 8 thousand of wheat for feed, and the wheat equivalent of 98 thousand bushels of flour.

Imports of wheat and flour in the past few years have been small. Imports in 1943-44 and 1944-45 amounted to 136 million and 42 million bushels, respectively (table 2). Imports in these two years were used as feed to supplement our domestic feed grain supplies which were inadequate to meet the large wartime requirements. Imports in 1943-44 exceeded exports by 71 million bushels. Net imports have occurred only in 3 other years in the history of the country. In those three years, 1934-36, net imports necessitated by the severe drought amounted to 2, 28 and 22 million bushels, respectively.

THE WORLD WHEAT SITUATION

BACKGROUND.- On July 1, 1943, stocks of wheat in the four principal exporting countries were a record of 1,737 million bushels. By July 1945, however, they were down to 818 million bushels. They were 387 million in 1946 and 385 million in 1947. Greatly increased disappearance was caused by wartime depletion of food supplies in importing countries and by poor crops in many areas. Stocks in these four countries on July 1, 1947 were the smallest since 1938 and were about 16 percent less than the 1935-39 average of 458 million bushels. On July 1, 1948 these stocks had increased to 552 million bushels.



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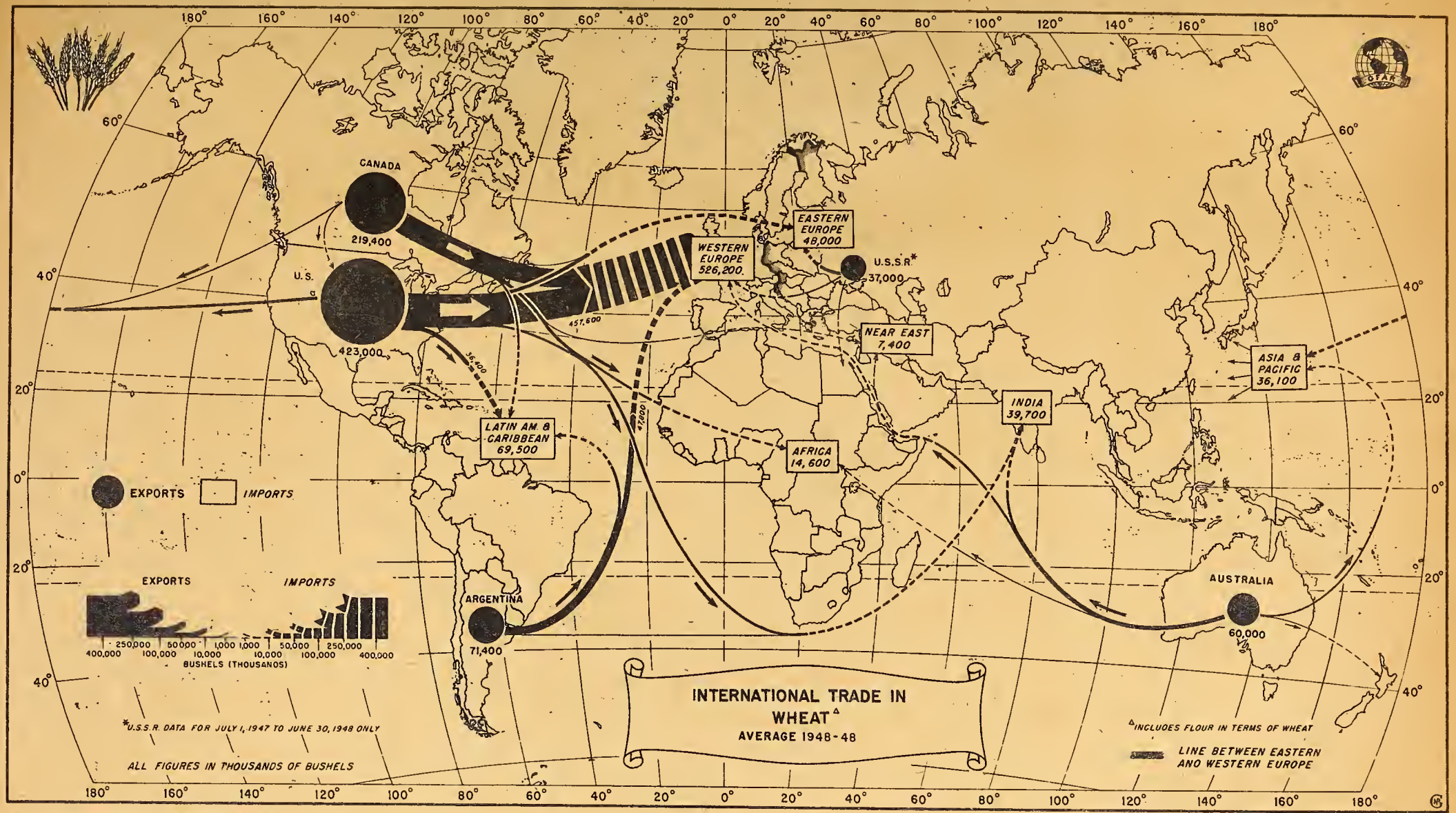

U.S. DEPARTMENT OF AGRICULTURE

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European Crop Conditions below 1948:
Canadian Prospects Continue below Normal 7/

It is still estimated that the breadgrain output in Europe, exclusive of the U.S.S.R., will be some 5 percent below the 1948 level and more than 10 percent below the 1935-39 average. In the Soviet Union, some increase in grain production is expected as compared with last year, when wheat production was 17 percent below prewar.

Dry hot weather from mid-June to mid-July in Western Europe generally favored the ripening and harvesting of wheat and rye. Cool and rainy weather retarded crops in parts of central and eastern Europe, and heavy rains delayed harvesting in some southern areas. The cool and rainy weather zone extended into the Soviet Union, covering most of European Russia, including southern Ukraine.

Western Europe.- In the United Kingdom, wheat is in good condition but with a reduced acreage, prospects are for a substantially smaller crop. In Ireland, crop condition continues generally satisfactory. In Belgium, prospects are up to or better than last year. In France, hot, dry weather during June and early July was reported to have reduced the crop.

Northern Europe.- In Denmark, the crop may exceed the previous record in 1938. In Sweden, prospects in early July were normal or above. In Norway, the outlook is for somewhat below normal yields. In Finland, prospects are somewhat above average.

Central Europe.- In Bizone Germany, yields of breadgrains are expected to approximate those of last year. In Austria acreage was increased, and yields are expected to be substantially above 1948. In Czechoslovakia, a very good grain harvest is underway.

Southern Europe.- In Portugal, wheat production is still expected to total more than last year although below the prewar level. In Spain, the season was much less favorable than a year ago. In Italy, a good crop is being turned out in spite of earlier reports of drought.

Southeastern Europe.- In Rumania, spring wheat condition is reported improved. In Hungary, prospects are for the best wheat crop since the war; rye yields are expected to be satisfactory. In Bulgaria, grain crops appear to be in excellent condition. In Yugoslovia, winter wheat yields are running above those for 1948 and prospects for spring sown wheat also are very good.

A 1949 total wheat acreage for Canada was officially indicated on July 21 at 27.5 million acres, an increase of 14 percent from the 24.1 million acres seeded a year ago. The acreage in the three Prairie Provinces totaled 26.5 million acres compared with 23.0 million in 1948. The condition for all Canada for wheat on June 30 was 72 percent of the long-time average yield compared with 95 percent on the same date last year and 125 percent in 1947. The low condition figure this year is accounted for largely by adverse moisture conditions.

7/ From the July European Crop Outlook Report published by the Office of Foreign Agricultural Relations, U.S.D.A.

The Argentine Ministry of Agriculture on June 1 called on growers to increase their wheat acreage, now being seeded, to about 17 million acres. This would be a substantial increase over the small wheat area of the past 2 years of about 13.5 million acres, and would bring the acreage back to the 1940-44 level, though still not up to prewar averages. However, in view of the fact that the season was well advanced by the time the appeal for increased acreage was made, it is doubtful that any appreciable increase will result. Labor shortages and high labor costs have contributed to the smaller acreages. Dissatisfaction with prices paid producers is also reported to have affected seedings. Soil conditions are reported to have favored seeding wheat in Argentina this year.

In Australia the acreage is expected to show some increase from the 13.0 million acres seeded last year or the 13.1 million average in 1935-39. Prospects are generally favorable. The 1948-49 wheat crop is now estimated at about 190 million bushels, a slight reduction from earlier estimates, but still well above the average of 170 million bushels for 1935-39.

INTERNATIONAL WHEAT AGREEMENT RATIFIED; COUNCIL HOLDS FIRST MEETING

The International Wheat Council, created under the International Wheat Agreement signed in Washington in March/April, 1949, concluded its first session in Washington on July 9. The objectives of the Agreement are "to assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices."

Following are the highlights of the Council's actions:

1. Found that the required number of nations had ratified the agreement and therefore declared the International Wheat Agreement to be in effect. So far, the agreement has been ratified by the exporting nations responsible for 99.6 percent of the guaranteed exports and by importing nations responsible for 84.5 percent of the guaranteed imports. Signatory nations that have not yet ratified are: Exporters - Uruguay; importers - Bolivia, Brazil, China, Colombia, Cuba, Dominican Republic, Ecuador, Egypt, El Salvador, Guatemala, Liberia, Mexico, Nicaragua, Norway, Panama, Philippines Republic, and Venezuela The parliaments of most of these nations have not been in session since the agreement was drawn up. Most of them are still expected to ratify.

2. Agreed that signatory nations may have until October 31, 1949, to ratify. After that nations may still be admitted, including those that did not sign, by a two-thirds vote of the exporters and importers voting separately.

3. Voted to make London the permanent seat of the Wheat Council.

4. Elected F. Sheed Anderson and Edwin McCarthy Chairman and Vice Chairman respectively of both the Council and the Executive Committee for the crop year 1949-50. Mr. Anderson is Under Secretary of the Ministry of Food of the United Kingdom, Mr. McCarthy is the Secretary of the Department of Commerce and Agriculture of the Australian Government.

5. Elected, as members of the Committee for the crop-year 1949-50, the following nations: Exporters - Australia, Canada, and the United States; importers - Benelux (the customs union of Belgium, Netherlands and Luxembourg) Egypt, India, Italy, Union of South Africa, and the United Kingdom.

6. Elected the following nations to membership on the Advisory Committee on Price Equivalents: Exporters - Australia, Canada, United States: importers - Benelux, India, United Kingdom. This committee, consisting of technical experts, will advise the Executive Committee and the Council on the relationship between different grades and qualities of wheat and flour and on relative prices of wheat in different parts of the world.

7. Delegated to the Executive Committee the appointment of a temporary and-or permanent Secretary of the Council. The Secretary's duties will be to administer the Wheat Agreement under the direction of the Chairman of the Council and the Executive Committee.

8. Agreed that actual operations under the Agreement start on August 1.

9. Deferred any action on adjustments of guaranteed quantities until the next session of the Council at which time additional nations will have had opportunity to ratify the Agreement.

10. Adopted rules of procedure to govern action by the Council, the Executive Committee, and the Secretariat.

11. Agreed that the next meeting of the Council would be convened in London in early November.

Table 1.- Wheat: Stocks in the United States on July 1, Average 1937-41, Annuals 1944-49

Stocks position	Average 1937-41	1944	1945	1946	1947	1948	1949
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Farm	67,055	103,622	87,703	41,606	40,477	94,511	65,598
Interior mills, elevators and warehouses	37,797	30,332	42,129	8,376	10,116	30,645	65,119
Terminals (commercial)	64,435	82,912	67,185	29,917	8,129	34,065	128,158
Merchant mills and mill elevators	60,898	67,308	58,463	12,838	24,591	34,240	30,600
Commodity Credit Corp., wheat in transit and in steel and wood bins	---	32,381	23,700	7,351	500	2,530	3,797
Total	230,185	316,555	279,180	100,088	83,813	195,991	293,272

Commercial stocks at terminals are reported by the Production and Marketing Administration. Commodity Credit wheat in their steel and wooden bins and in transit are reported by the Commodity Credit Corporation. Stocks in the other three positions are estimated by the Crop Reporting Board.
Figures in the table include quantities owned by the Government or still outstanding under Government loan.

Table 2.--Wheat and flour: Imports into the United States for domestic utilization and for grinding in bond and export, 1923-47

Year beginning July		Full duty (tarrif 42 cents)	Unfit for human consumption (tarrif of 5-10 percent ad valorem) 1/	Total imports for domestic utilization (total of first 2 columns)	Flour in terms of wheat	Wheat for Grinding in bond and export as flour 2/
		Bushels	Bushels	Bushels	Bushels	Bushels
1923		13,783,423	---	13,783,423	794,920	13,904,837
1924		272,548	---	272,548	31,575	5,813,353
1925		1,664,843	---	1,664,843	81,804	13,421,480
1926		48,808	---	48,808	28,463	13,171,683
1927		161,297	---	161,297	26,926	15,043,679
1928		79,136	---	79,136	12,234	22,480,962
1929		44,607	---	44,607	8,004	12,903,364
1930		40,756	307,336	348,092	5,466	19,013,090
1931		6,057	---	6,057	1,278	12,878,851
1932		5,767	1,354	7,121	3,201	9,372,151
1933		143,646	5,739	149,385	3,878	11,341,052
1934	3/	5,905,380	8,146,044	14,051,424	18,048	11,064,092
1935		25,288,519	9,205,128	34,493,647	166,112	11,978,659
1936		30,205,430	4,057,016	34,262,446	192,606	13,468,667
1937		597,776	4,150	601,926	139,773	2,819,031
1938		39,086	206,969	246,055	388,662	8,988,542
1939		55,524	86,284	141,808	335,411	9,952,595
1940		164,846	3,236,678	3,401,524	291,311	7,330,854
1941		1,699,424	1,785,200	3,484,624	179,332	11,911,656
1942		806,182	150,166	956,348	100,236	7,576,511
1943		136,013,365	4/ 188,305	136,201,670	157,456	10,952,124
1944		4/26,235,035	4/15,918,827	42,153,862	199,487	9,213,393
1945		1,136,044	766,857	1,902,901	96,577	11,591,148
1946		21,295	28,129	49,424	7,462	1,968,330
1947		6,645	117,564	124,209	6,990	18,508

Imports for consumption from United States Tariff Commission, July 1923 to December 1933, and from Bureau of Foreign and Domestic Commerce, January 1934 to date.

1/ Beginning June 18, 1930, a new classification, wheat unfit for human consumption, was introduced by the 1930 Tariff Act. Effective January 1, 1939, the second trade agreement with Canada reduced the tarriff to 5 per cent ad valorem on "wheat unfit for human consumption."

2/ Wheat for grinding in bond for export, which enters duty free. Beginning June 18, 1930, includes imported wheat ground into flour in bond for export to Cuba. From June 18, 1930 to September 3, 1936 the duty on this wheat equaled the reduction in Cuban duty and consumption tax applicable by treaty to flour produced in the United States imported into Cuba. On September 3, 1936 the consumptio n tax was repealed. Effective January 17, 1948, under the General Agreement on Tariffs and Trade and the Exclusive Agreement with Cuba signed at Geneva, the duty on wheat imported for milling in bond (the flour from which is imported into Cuba) is 20 cents per 100 kilograms, gross weight.

3/ General imports prior to July 1934, subsequently imports for consumption. Beginning July 1934, excludes flour imported free for export in manufactured foods.

4/ Largely Commodity Credit Corporation imports for feed use. From December 23, 1943 to June 19, 1944 imports of wheat and its products used for livestock and poultry feed were imported duty free.

Table 3.- Wheat: Average price per bushel received by farmers and parity price, United States 1931-49 1/

Year beginning July	July 15	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June	Marketing year average
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
	Average Price 2/												
1931	36.3	35.4	35.7	36.1	50.5	44.1	44.1	44.0	44.2	43.1	42.4	37.3	38.2
1932	35.6	38.5	37.4	34.6	32.8	31.6	32.9	32.3	34.5	44.8	59.0	58.7	37.5
1933	86.9	74.7	71.1	63.6	71.1	67.3	69.4	72.0	70.9	68.7	69.5	78.9	73.6
1934	78.8	89.6	92.2	88.5	88.1	90.6	89.3	87.9	85.5	90.2	87.8	77.3	83.9
1935	76.4	80.8	85.1	94.8	87.5	88.9	92.0	91.1	89.3	85.4	81.6	79.9	82.7
1936	94.1	104.8	104.3	106.8	106.4	114.5	123.6	124.9	123.2	126.6	118.3	108.9	102.0
1937	112.8	99.4	93.0	88.7	81.9	83.6	88.6	86.6	80.3	75.0	71.4	69.7	95.9
1938	60.8	50.7	52.5	52.2	52.0	53.6	57.1	56.9	56.7	57.8	63.0	62.53/	55.6
1939	55.7	54.5	72.7	70.3	73.1	82.4	84.5	84.1	85.0	88.9	80.7	67.4	68.6
1940	61.4	60.1	62.6	68.2	72.5	71.5	73.0	67.8	71.8	76.0	79.4	83.1	67.4
1941	85.6	88.5	95.8	91.0	93.4	102.2	106.1	104.9	105.1	99.7	99.8	95.7	93.9
1942	94.6	95.4	102.8	103.5	104.4	110.3	117.5	119.5	122.7	122.3	122.8	125.0	109.0
1943	126.0	127.0	130.0	135.0	137.0	143.0	146.0	146.0	146.0	147.0	147.0	143.0	135.0
1944	139.0	135.0	135.0	142.0	143.0	145.0	146.0	147.0	148.0	149.0	149.0	150.0	141.0
1945	146.0	145.0	145.0	151.0	153.0	154.0	154.0	155.0	158.0	158.0	170.0	174.0	149.0
1946	187.0	178.0	179.0	188.0	189.0	193.0	191.0	199.0	244.0	240.0	239.0	218.0	190.0
1947	214.0	210.0	243.0	266.0	274.0	279.0	281.0	212.0	221.0	229.0	222.0	211.0	229.0
1948	203.0	196.0	197.0	198.0	204.0	205.0	202.0	194.0	198.0	200.0	200.0	186.0	199.0
	Parity Price 4/												
1931	124.6	122.9	121.1	120.2	118.5	118.5	114.0	114.0	112.3	111.4	109.6	108.7	
1932	108.7	108.7	107.8	107.0	106.1	105.2	100.8	100.8	99.9	100.8	100.8	101.7	
1933	105.2	108.7	112.3	112.3	112.3	112.3	109.6	111.4	112.3	112.3	113.2	113.2	
1934	113.2	115.8	116.7	116.7	116.7	116.7	114.9	115.8	115.8	115.8	115.8	115.8	
1935	114.9	114.0	113.2	113.2	112.3	112.3	111.4	111.4	110.5	110.5	110.5	109.6	
1936	112.3	114.9	114.9	114.9	114.9	115.8	116.7	118.5	118.5	120.2	120.2	120.2	
1937	119.3	118.5	116.7	115.8	114.9	114.0	114.0	114.0	113.2	113.2	113.2	112.3	
1938	111.4	110.5	109.6	109.6	109.6	109.6	108.7	108.7	108.7	108.7	108.7	108.7	
1939	108.7	107.8	110.5	110.5	110.5	110.5	110.5	110.5	111.4	111.4	111.4	111.4	
1940	110.5	110.5	110.5	110.5	110.5	111.4	110.5	110.5	111.4	111.4	112.3	114.9	
1941	115.8	118.5	121.1	122.9	124.6	125.5	127.3	129.1	130.8	131.7	132.6	132.6	
1942	133.5	133.5	134.4	135.3	136.1	137.0	137.9	139.7	140.6	141.4	143.2	144.1	
1943	145.0	145.0	145.0	146.0	147.0	148.0	149.0	149.0	149.0	149.0	149.0	150.0	
1944	150.0	150.0	150.0	150.0	151.0	151.0	152.0	152.0	153.0	153.0	153.0	153.0	
1945	153.0	153.0	154.0	155.0	155.0	156.0	156.0	158.0	159.0	160.0	164.0	166.0	
1946	176.0	180.0	177.0	183.0	187.0	188.0	190.0	195.0	201.0	203.0	202.0	203.0	
1947	203.0	207.0	210.0	211.0	213.0	217.0	222.0	220.0	219.0	220.0	221.0	222.0	
1948	222.0	222.0	221.0	220.0	219.0	219.0	219.0	217.0	217.0	217.0	217.0	217.0	

1/ Data for earlier years in The Wheat Situation as follows: 1909-47 Jan. Feb. 1948 page 11, prices received. 1922-30, August 1945, pages 20-21, parity prices.
2/ Monthly prices by States weighted by production to obtain a price for the United States; average for year obtained by weighting State price averages for the marketing year.
3/ Beginning 1938 includes unredeemed loans at average loan value.
4/ Computation of parity price: Average price in base period (August 1909 to July 1914) monthly index of prices paid by farmers, interest and taxes. Example for June 1949=88.4 x 2.45=2.17.

Table 4.- Wheat: Prices per bushel in three exporting countries, Friday nearest mid-month, Jan.- July Weekly June - July 1949

Date (Friday)	HARD WHEAT: United States No. 1 Dark Northern Spring 13 percent protein at Duluth 1/	HARD WHEAT: Canada No. 2 Manitoba at Fort William 2/	HARD WHEAT: United States No. 1 Dark Winter Galveston 1/	SOFT WHEAT: United States No. 1 Portland 1/	SOFT WHEAT: Australia 1/
	Dollars	Dollars	Dollars	Dollars	Dollars
Friday mid-month					
January 14	2.30	2.32	2.44	2.225 3/	2.50
February 11	2.24	2.18	2.35	2.16	---
March 11	2.33	2.16	2.42	2.235	---
April 14	2.37	2.18	2.43	2.22	---
May 13	2.35	2.13	2.42	2.25	---
June 17	2.32	1.97	2.03	2.25	---
July 15	2.41	2.00	2.20	2.10	---
Weekly					
June 3	2.25	2.03	1.98	2.15	---
June 10	2.35	2.06	2.10	2.25	---
June 24	2.37	1.96	2.08	2.10	---
July 1	2.42	1.93	2.10	2.07	---
July 8	2.43	1.98	2.21	2.13	---
July 22	2.32	2.00	2.27	2.10	---

1/ F.O.B. spot to arrive. 2/ Fort William quotation is in store. 3/ $2.50 for Britain, other countries, $2.66.

Table 5.- Wheat: Weighted average cash price, specified markets and dates 1948-49

Month and date	All classes and grades six markets		No. 2 Dark Hard and Hard Winter Kansas City		No. 1 Dark N. Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		No. 1 Soft wheat Portland 1/	
	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Month												
May	2.60	2.25	2.40	2.22	2.62	2.33	2.98	2.25	2.44	2.34	2.36	2.22
June	2.56	2.16	2.29	1.95	2,60	2.37	2.84	2.32	2.32	1.83	2.30	2.18
Week ended												
June 4	2.61	2.12	2.39	1.99	2.62	2.27	2.98	2.29	2.39	2.14	2.30	2.15
June 11	2.58	2.27	2.31	2.14	2.60	2.36	2.92	2.32	2.36	2.06	2.30	2.23
June 18	2.57	2.27	2.26	2.08	2.60	2.36	2.90	2.32	2.37	2.18	2.30	2.25
June 25	2.55	2.19	2.30	1.98	2.60	2.38	2.73	2.32	2.31	1.95	2.30	2.15
July 2	2.44	2.04	2.24	1.91	2.53	2.41	2.62	2.29	2.28	1.81	2.27	2.05
July 9	2.34	2.07	2.22	1.99	2.46	2.46	2.55	2.35	2.27	1.87	2.21	2.12
July 16	2.33	2.14	2.21	2.05	2.44	2.45	2.50	2.38	2.23	1.92	2.18	2.11
July 23	2.30	2.08	2.19	2.02	2.41	2.37	2.44	2.36	2.22	1.90	2.17	2.10

1/ Average of daily cash quotations.

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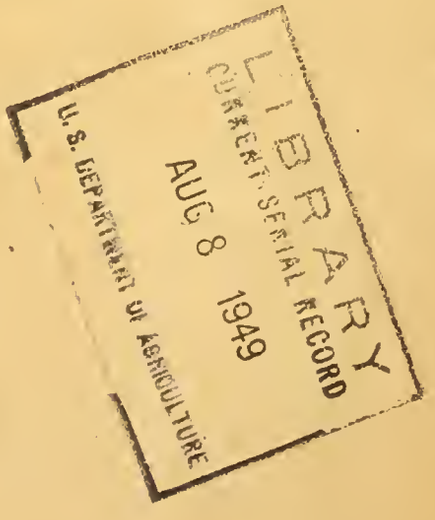
Table 6.- Wheat: Average closing prices of Sept. wheat futures, specified markets and dates, 1948-49

Period	Chicago		Kansas City		Minneapolis	
	1948	1949	1948	1949	1948	1949
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Month						
May	2.34	1.95	2.25	1.86	2.36	1.92
June	2.31	1.95	2.22	1.88	2.35	1.93
Week ended:						
June 4	2.32	1.89	2.23	1.81	2.31	1.86
June 11	2.29	1.93	2.21	1.85	2.27	1.90
June 18	2.30	1.96	2.22	1.88	2.28	1.93
June 25	2.32	2.00	2.24	1.93	2.30	1.98
July 2	2.31	1.98	2.23	1.92	2.29	1.97
July 9	2.31	2.03	2.24	1.99	2.29	2.08
July 16	2.30	2.02	2.21	1.99	2.27	2.07
July 23	2.29	2.03	2.21	2.00	2.27	2.09